



U.S. Customs and
Border Protection

Remarks by Kevin K. McAleenan

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INTRODUCTION

Good morning everyone.

Thank you (b) (6) for that gracious introduction
certainly far warmer than the brisk temperatures outside!

I am very pleased to be here in Montreal in the company of such
outstanding thinkers and innovators from around the world, and

I'm delighted to share some of my perspectives as Deputy
Commissioner of U.S. Customs and Border Protection.

OVERVIEW

CBP has long been committed to improving our processes
across the board in every environment, air, land, and sea for
both travelers and cargo. These travel and trade stakeholders
our "customers", if you will – demand it.

At the same time, the pace of globalization—the movement of
people, goods, services, and money across borders
relentless.

At CBP, we are constantly adapting to a dynamic border environment and an increasingly complex, evolving threat stream.

CBP has dual mission

- Prevent the entry of criminals, terrorists, and weapons of terror; and
- Facilitate lawful travel and trade

This dual mission is tremendously challenging especially in a budget-consciousness where resources and funding have been flat.

So we asked ourselves, "How would a business rise to this challenge?"

The answer is simple: change the way we do business.

The stakes have never been higher.

Whether its a **public health crisis** – such as Ebola or the threat posed by so-called “**foreign fighters**” who seek to bring their ethos of terror back to their home countries, CBP and its foreign customs counterparts are on the front line defending borders while facilitating lawful travel and trade

We are using more of a risk-based strategy in our border security operations, and that involves the use of technology, sophisticated surveillance, and using our existing resources in smarter, more efficient and more effective ways.

The threats are daunting. ~~Yet~~ we need to be interconnected

Our organizations- whether in the public or private sector

absolutely must be engaged with the rest of the world at every

level.

TRAVEL

The most obvious manifestation of globalization is the ease with

which we can travel. Travelers fuel every nation's economic

growth, and the United States is no exception.

The volume of visitors to the U.S. is growing by nearly

percent each year, and each overseas visitor spends roughly

\$4,500 According to the U.S. Travel Association, for every 33

overseas travelers, one new American job is created.

CBP inspects nearly one million travelers each day as they enter the United States. That's a 22 percent increase from 2009

Approximately 30 percent-- almost 100 million a year-- of these travelers arrive via commercial aviation.

CBP has developed and strategically deployed resources to detect, assess and, if necessary, mitigate the risk posed by travelers throughout the international travel continuum.

Most recently, CBP and its foreign counterparts ~~have~~ faced unprecedented travel-related challenges: the public health risks posed by the Ebola virus in West Africa and the threat posed by “foreign fighters” returning from the Middle East.

The World Bank estimates that ~~the~~**Ebola crisis** will generate costs of \$32.6 billion globally by the end of 2015.

To prevent the Ebola virus from gaining a foothold in this country, CBP initiated enhanced screening of passengers traveling from affected countries in West Africa.

We partnered with CDC five airports across the country (JFK, Chicago, Dulles, Newark, and Atlanta) to ensure enhanced screening capacities are available at the airports receiving the majority of passengers from these countries.

The screening process consists of a ~~of~~ targeted approach of targeting, enhanced surveillance, and questioning of travelers with a travel nexus to the affected regions.

In the realm of more “man-made” threats, the United Nations has warned in a new report that terror groups in Syria and Iraq are recruiting **foreign fighters** on an unprecedented scale.

The 9/11 attacks represented a terrorist organization that had a relatively simple command and control structure.

In the wake of the elimination or capture of core al-Qaeda members, we are now seeing al-Qaeda affiliates, adherents and groups—such as ISIS—that even al-Qaeda has renounced.

The U.N. estimates that 15,000 radicals from more than 80 nations are believed to have traveled to Iraq or Syria to join the extremists—and that about 20-25 percent come from Western countries, including Western Europe, the United States, and Australia.

These foreign fighters are learning battle field skills and terrorist tradecraft— and many of them are being encouraged to bring those skills and tradecraft back to their home countries.

Of the numerous insurgent groups active in Iraq, of particular concern is the Islamic State of Iraq and al-Sham, or ISIS, also known as the Islamic State of Iraq and the Levant, or ISIL. They focus on consolidating territory in the Middle East region to establish their own Islamic State.

In response to the potential threat posed by ISIL and other terrorist groups, CBP is continually refining risk-based strategy and layered approach to security, extending our borders outward, and focusing our resources on the greatest risks to interdict threats before they reach the United States.

The large number of Western foreign fighters who have traveled to the Middle East region demonstrates the need for greater cooperation with our allies to jointly mitigate the foreign fighter risk.

CBP is uniquely positioned to foster information sharing to illuminate networks and “bad actors” associated with the Syrian Civil war and insurgencies in Iraq.

The United Nations Security Council recently adopted Resolution 2178- which requires states to take specific, concrete steps to clamp down on the movement of foreign fighters from and through their territories.

This makes international collaboration more critical than ever we must share information in order to connect the dots

The best means we have to disrupt and deter terrorists from boarding flights to the United States is **Preclearance program.**

Preclearance provides CBP with the best means of identifying and addressing threats at the earliest possible point. By strategically placing CBP personnel overseas to pre-clear travelers before they board flights to the United States, preclearance helps CBP disrupt and deter terrorists.

In FY14, CBP **pre-cleared approximately 17.5 million of the more than 106 million total** CBP processed in the travel environment.

Beginning in 2015, the United States intends to enter into negotiations to expand air preclearance operations to new locations— with the **goal of pre-clearing 33 percent of all U.S.-bound air travelers by 2024** launching two new preclearance locations annually over the next decade.

As part of transforming its business, CBP really listened to travelers. We heard their complaints about wait times, about being too tired and too busy to navigate through the necessary security apparatus that sprang up in the post-9/11 environment.

So we looked to new, innovative technologies to ~~help~~ the traveling public moving safely and securely through increasingly busy airports.

CBP's Trusted Traveler programs such as Global Entry, NEXUS and SENTRI along with Automated Passport Control and mobile inspections are excellent examples of business transformation.

Global Entry – CBP's signature Trusted Traveler program enables our officers to spend less time on low-risk travelers and more on time focusing on travelers who pose a higher risk **whether the risk is health-related or a nexus to terrorism or smuggling.**

Global Entry— which allows for the expedited clearance of pre-approved, low-risk air passengers into the United States— lets members use automated kiosks at designated airports to bypass regular passport control queues.

For Global Entry, travelers who successfully undergo a background screening and pay a one-time fee enjoy expedited clearance upon arriving at dozens of international airports in the United States.

Within the U.S., Global Entry members are eligible to expedite their domestic travels by using TSA's PreCheck trusted traveler screening lines.

The Global Entry program also benefits CBP and participating foreign governments by allowing them to focus efforts on potentially higher risk air travelers, thereby facilitating the movement of trusted travelers in a more efficient and effective manner.

Membership in Global Entry now exceeds 1.6 million members, and we expect to top the 2 million mark sometime in 2015.

The average processing time is approximately one minute.

Global Entry is operational at 42 U.S. airports and 11

Preclearance locations including three here in Canada:

Toronto, Ottawa, and Vancouver.

This widespread deployment throughout the U.S. and Canada means that Global Entry is available at airports serving more than 99% of the international traveling public

To date, the Global Entry kiosks have been used more than 11 million times, equating to savings of over 184,000 inspectional officer hours

We are promoting greater enrollment, and working with foreign partners to identify frequent international travelers who may qualify for the program.

Automated Passport Control— or APC— is another great example of how CBP is improving the way we do business.

APC has tremendous advantages for busy travelers. It streamlines inspection, increases efficiency, and shortens wait times for faster processing.

It does not require pre-registration, background screening, or a fee.

Just a quick note...

In this digital, wireless age, personal privacy is very important to CBP.

APCs do not store any personal information Passport information and touch-screen answers to the questions on the Customs Declaration are transmitted directly to CBP using secure encryption.

If travelers prefer to fill out the Customs Declaration form by hand, they can give it to a CBP officer for shredding.

In fact, travelers can use APCs as individuals – or as a family unit if members of the group all reside at the same address.

That “customer choice” is important: Just as smart businesses understand the diversity of desires that characterize their customer base, CBP recognizes that not everyone wants or needs to be inspected in the same way.

APC kiosks are currently operational at 22 airports and even more are in the planning stages. On average, 40 percent of the travelers at airports equipped with APC kiosks use them, resulting in a 20-40 percent reduction in wait times in APC-equipped airports.

How does something like APC translate into economic benefits

With more than 33 million arrivals in 2013, LAX is one of the busiest airports in the world.

Indeed, LAX is the gateway to Southern California, which happens to be the world's sixth largest economy!

That's why it is critically important to facilitate the entry of the millions of visitors who make such important contributions to the California economy and to the ~~nation's~~ economy. APC plays an essential part in achieving that goal.

APC became operational at LAX this past summer, and we are really excited about how much of a positive impact it has had.

At Terminal 5 we installed 10 APC kiosks provided by the Vancouver Airport. We've seen a 25 percent decrease in the overall Average Wait Time from 27.8 minutes to 20.9 minutes.

At the Tom Bradley terminal, where we have 40 APC kiosks—supplied by SITA—we've witnessed similar success: about 20

percent of arriving passengers were processed via APCs, with an overall 5 minute reduction in average wait times.

And we are taking passport control into the mobile realm, as well. **Mobile Passport Control**, or MPC, is a CBP-authorized smartphone or tablet “app” now being piloted in Atlanta.

MPC expedites the entry process for U.S. citizens and Canadian visitors by providing an efficient, secure process through CBP primary inspection area.

Like APC, the MPC app frees CBP officers from performing administrative tasks, enabling them to focus more on higher-risk travelers.

MPC is a business transformation initiative in partnership with the Airports Council International North America (ACI-NA).

And I am proud to report that CBP recently received “Best Immigration and Arrivals Initiative” award for its MPC app at the 4th Annual Future Travel Experience Global 2014 event in Las Vegas.

CBP was one of 9 organizations and the only Federal agency to receive an award, which recognizes innovative, ambitious, and effective initiatives and organizations.

I won’t elaborate further on Mobile Passport Control, because you will be hearing much more about that from Dan Tanouar CBP’s Office of Field Operations during the next panel discussion.

While CBP prides itself on facilitating lawful travel, make no mistake that we are ever-vigilant for those whom we welcome

Through direct networks with commercial airlines and connections to CBP officers overseas as part of the Immigration Advisory Program (IAP), CBP's National Targeting Center is able to issue no-board recommendations to the airline to keep suspected high-risk passengers from traveling to the United States.

In addition to vetting inbound flights for high-risk travelers, we also identify travelers who warrant **outbound inspection**.

CBP compares outbound manifest information that we receive in advance to law enforcement databases and the “No Fly” List, as well as databases of subjects of active currency, narcotics and weapons investigations.

CBP’s **National Targeting Center** analyzes each traveler’s risk before departure to identify possible matches to the U.S.

Government’s consolidated terrorist watch-list, Interpol lost and stolen passports, criminal activity, fraud, and other mala fide travelers, including U.S. citizens.

As soon as passenger information becomes available prior to departure, CBP and the Transportation Security Administration begin the screening and vetting processes.

A great example of the success of this screening came in May 2010 when CBP officers arrested Faisal SHAZAD [FAY Shah ZAD] as the suspect in the Times Square car bomb plot. He was attempting to escape on a flight destined to Dubai.

Another example of our outbound targeting effectiveness was the arrest of Najibullah Zazi [NAH-zhi-BOO-Lah ZAH - zee], who plotted an attack against the New York City subway system in September 2009.

In this case, CBP databases led to the identification of two Zazi's previously unknown co-conspirators. One pled guilty in April 2010 and the other was found guilty in May 2012.

Also, in October 2009, CBP outbound targeting identified David Coleman Headley, who was arrested and pled guilty to plotting attacks in Copenhagen and for activities supporting the November 2008 attacks in Mumbai, India.

Based upon these types of threats, it is critical to know when a traveler arrives and departs the country to ensure compliance with the terms of admission.

CBP's **Entry/Exit strategy** addresses this need.

In essence, exit data goes to the core of the integrity of the immigration and border management system.

Through the FY13 and FY14 appropriations, the Entry/Exit mission transitioned to CBP, and we take this mission very seriously.

CBP's Entry/Exit Transformation Office or EXT – leads the multi-layered exit strategy that includes three core pillars:

- close the gaps and enhance the current biographic and biometric entry-exit system;
- perform targeted biometric operations;
- transform the entry/exit process through the use of emerging biometric technologies.

CBP currently has an effective, biographic-based exit recording system in the air and sea environments, and at the northern land border.

CBP receives biographic exit data on nearly 100% of departing air and sea travelers. Commercial carriers provide this data via electronic passenger manifests.

With this data, CBP closes out an individual's travel record to better identify those who have overstayed their period of admission and subsequently takes appropriate action.

In response to the Congressional requirement to develop a comprehensive biometric exit system, EXT will evaluate existing entry/exit operational processes, test and evaluate biometric technologies, and ultimately select and integrate viable solutions into CBP operational environments

Currently, CBP captures biometrics such as fingerprints and a photograph on foreign travelers who arrive at a US port of entry.

Over the last decade, DHS has learned through various pilots that the nationwide deployment of a fully operational biometric exit program poses a complex challenge due to infrastructure, staffing, technology integration, and funding issues.

To address this challenge, CBP has partnered with the DHS Science and Technology Directorate (S&T) on the Air Entry-Exit Reengineering program to develop effective concepts for the collection of biometric information in the air environment.

S&T, with assistance from CBP, will spend the next 8-12 months testing various operational scenarios in a test facility that cover both the arrival into and departure from the United States

These tests will allow CBP and S&T to identify which biometric solutions have the most potential in a live environment to meet the mission.

In late-2015, S&T will take biometric exit to the next level by deploying a biometric exit solution set to one of our top 10 air ports of entry.

Based upon successful completion of the operational test and the availability of funding, CBP will expand the exit solution to the remaining top nine air ports of entry.

EXT will also implement ~~targeted~~ mobile experiments in FY 2015. This includes a pedestrian exit test at one land port of

entry along the Southwest border to capture biographic entry/exit data on all travelers and biometrics on foreign travelers during the experiment.

EXT will also conduct a targeted Biometric Exit Mobile Air Experiment at one airport, which includes CBP outbound inspection teams using a handheld mobile device to create biometrically-confirmed exit records on foreign travelers.

After an evaluation- and based upon funding CBP will lead the transformation of entry/exit operations through the application of technology, optimized processes, and enhanced entry/exit matching capabilities.

Ultimately, CBP will implement a biometric exit system that enhances security, controls costs, minimizes the impact to travelers, safeguards privacy, and delivers to the American people.

TRADE

On the trade side of the equation, the challenges are similar: what are the best ways keep cargo moving without compromising safety and border security?

As with the travel industry, the stakes are enormous in the trade environment.

In 2015, global commerce is projected to be worth more than \$300 billion. CBP processed more than \$2.3 trillion in trade and nearly 25 million cargo containers in Fiscal Year 2013.

Terrorists have shown that they will stop at nothing to smuggle dangerous substances in seemingly innocuous products witness the explosives packed into printer ink cartridges a few years ago.

CBP has long been at the forefront of efforts to secure the global supply chain, and our flagship initiative **C-TPAT – our Customs-Trade Partnership Against Terrorism.**

Launched in November 2001, C-TPAT has nearly 11,000 members and serves as a model for international customs and the business community.

CBP is harmonizing C-TPAT with other countries' Authorized Economic Operator trusted trader programs, signing mutual recognition arrangements (MRAs) with nine nations: Canada, New Zealand, Jordan, Japan, South Korea, the European Union, Taiwan, Israel and, most recently Mexico.

As of November 1, the C-TPAT program has completed more than 26,200 validations in over 109 countries

Through the **Automated Commercial Environment (ACE)**, CBP is transforming this process so that it reduces costs and increases predictability for both importers and exporters.

This system will process all entries beginning in November 2015, and the system will fully implemented in 2016

This aligns with President Obama's February Executive Order creating a "Single Window" for businesses to electronically transmit the data required by the U.S. government to import or export cargo.

The Border Interagency Executive Council (BIEC), led by Deputy Secretary Alejandro Mayorkas, is coordinating dozens of agencies equities in this process.

CBP also recognizes that consistency at America's 329 ports of entry is crucial for businesses who demand fast, efficient access to information that affects their bottom lines.

The 10 Centers of Excellent and Expertise allow companies that participate in our trusted trader programs to have one central point of contact for all of their customs inquiries.

While all 10 of these Centers are already up and running, we are quickly expanding their operations. In the coming months, some of the Centers will be processing the entire industry's summary activity.

CBP established the centers after extensive exchanges of ideas with the Commercial Operations Advisory Committee as well as careful concept testing and validation both within CBP and the broader trade community. The account-based approach lets us better leverage the vast array of skill sets among our employees, and it provides businesses with greater predictability – truly a win-win for CBP and its trade stakeholders.

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GLOBAL CHALLENGE

Government agencies are often criticized for being behind the curve, unable to keep up with new technologies and new ways of applying them.

CBP wants to shatter that stereotype. In fact, we want to be able to ask you how your industries plan to keep up with us and our vision.

CBP has successfully engaged private entities in a series of public-private partnerships that enable us to demonstrate our commitment to contributing to economic growth while enhancing border security.

Those partnerships have grown out of candid conversations with CBP's stakeholders of every stripe— with airports, seaports, trade and travel associations, and other law enforcement entities.

We need to kick-start more of these types of important conversations with stakeholders and especially with technology innovators who need to see CBP as not only a potential customer, but as a partner.

One thing has become clear: CBP is not and should not be in the business of second-guessing the experts.

Take Automated Passport Control, for example. Instead of mandating what kiosks airports should buy, we set the standards and let the marketplace decide what to procure.

Thinking outside the box is how CBP took APC from nothing to 31 airport terminals in just 20 months.

In 1900, the most cutting-edge aviation technology was the zeppelin. One hundred years later, just a few generations the first crew took up residence on the International Space Station.

Remarkable? Yes and now ponder this: 90 percent of the world's data was created in just the past two years.

The democratization of computing power and, therefore, information power over the past 20 years has created an overwhelming amount of raw, unstructured, and underleveraged data.

CBP recognizes this shift, and we are committed to embracing new ways of accessing, managing, storing, and using data to achieve our dual mission of trade and travel facilitation and border security.

Cloud technologies, for example, benefit customs organizations in two critical ways

- they enable the organization to capture the vast amounts of information that these organizations generate throughout a given period of time and across vast geographic distances; and
- they enable the organization to make that information available real-time and for a variety of purposes without the constraints of time difference or distance.

Because CBP is focused on enabling the movement of legitimate travel and trade while preventing illicit movements across borders that span thousands of miles and support millions of people and conveyances, we rely on information as THE cornerstone in monitoring the progress of every individual and conveyance crossing our borders.

Cloud technologies have the potential to revolutionize CBP's work by enabling us to capture and move information across the vast array of operations spanning the border and that lets us deliver the highest caliber of service to the people and commodities moving through our ports of entry without compromising security.

Similarly, there is a fundamental shift in the way we communicate. People are moving away from static websites, email and voice communications and instead they are gravitating to social platforms such as Twitter, Facebook, and Google+. CBP has fully embraced these changes.

The relentless pace of globalization means that we can no longer afford to react to change we have to stay at least one step ahead of it

And we need your input, your ideas, and your technological prowess to do it.

From lone-wolf operatives to transnational criminal organizations, the interlocking and overlapping webs of illicit

activities can be exposed and disrupted only through cooperation with our foreign and domestic law enforcement and intelligence community partnerand with the judicious application of private industries' technological prowess your prowess— as **innovators and visionaries**

To that end,**CBP plans to host an Innovation Conference**to bring together the best minds in both the public and private sector.

CBP's Office of Technology Innovation and Acquisition (OTIA) is going to play a key role in that effort. Now in its fourth year as a CBP component, OTIA is at the forefront of figuring out how to incorporate technology into our operations.

I am proud to note that members of OTIA Operational Integration and Analysis Directorate were recognized last month as winners of DHS Secretary Jeh Johnson's award for excellence. OTIA led a multi-agency task force that engaged with the Defense Department to identify surplus tactical aerostats that can be deployed in the Rio Grande Valley in Texas.

Border Patrol agents have reported that the aerostats have provided excellent situational awareness and are effective deterrents to illegal activity. That's just one example of the pivotal part that OTIA plays in CBP efforts to inspire and maintain a culture of innovation.

In closing, let me emphasize **your importance** in CBP's mission success. We know that international engagement is essential to **both** border security **and** economic vitality, and we are eager to explore how **your** expertise can help us achieve **our vision, our commitment** to being a top-tier law enforcement agency.

I look forward to working with you. Thank you.